

Department of Education
SALARIES AND EXPENSES OVERVIEW
Fiscal Year 2015 Budget Request

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INTRODUCTION

This overview summarizes the administrative costs and staffing for all Department accounts. Departmental administrative costs and full-time equivalent (FTE) employment are supported in 2015 from funding in the following accounts: Program Administration (PA), Office for Civil Rights (OCR), Office of Inspector General (OIG), College Housing and Academic Facilities Loans Program (CHAFL), Historically Black College and University Capital Financing Program (HBCUCF), Institute of Education Sciences (IES), and Student Aid Administration (SAA). Greater detail on the funds supporting administrative costs and staffing is provided separately in each account's justification materials.

Key programs administered by the Department include Title I of the Elementary and Secondary Education Act (ESEA), which under the President's 2015 request would deliver \$14.4 billion to help 23 million students in high poverty schools make progress toward State academic standards; Individuals with Disabilities Education Act Part B Grants to States, which would provide \$11.6 billion to help States and school districts meet the special education needs of 6.6 million students with disabilities; Federal Pell Grants, which would make available nearly \$33.9 billion in need-based grant assistance to 8.9 million students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly \$129 billion in new and consolidated Direct Loans to help students and families pay for college.

The Department must fund the operational activities necessary for the everyday work of the Department, including expenses for:

- Facilities management, including rent for office space and guard services,
- Phone and computer network services,
- Operation and maintenance of the Department's Web sites (e.g., www.ed.gov, <http://studentaid.ed.gov/redirects/college-qov>), and
- Grants payment processing.

The FY 2015 budget request also places emphasis on improving departmental management of programs and resources. Specific management priorities include:

- Financial management, including projects designed to ensure accountability for departmental assets, improve grants management, and provide better financial data to Department managers,
- Improving staff performance, including leadership development for Department employees,
- Improving recruitment, retention, and development of Department staff,
- Improving the acquisition process through development of the Department's acquisition workforce and reducing departmental reliance on high-risk contract vehicles,

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- Analyzing office space needs in order to identify opportunities to reduce the Department's footprint,
- Information technology, including improving the capability to collect educational data, and a continued focus on data security,
- Student aid administration, with a focus on administering Pell Grants and student loans, and
- Program performance improvement, to inform decisionmakers and focus limited resources on programs that work, and to reform or eliminate programs that do not.

In addition to these management priorities, the Department is working hard to maintain administrative efficiencies as directed in Executive Order 13589 and OMB Memorandum M-12-12. The FY 2015 budget request continues to reduce spending in the areas of travel, printing, supplies, and advisory assistance through a mix of technological efficiencies and strategic acquisition efforts. The table below provides percent changes for these areas from FY 2010.

Reductions in Spending by Category: FY 2010 to FY 2015 (dollars in millions)

Category	2010 Obligations	2015 Request	Percent Change from 2010
Travel	\$11.2	\$9.1	-19%
Printing	5.1	2.7	-46%
Supplies	1.7	1.0	-52%
Advisory and Assistance	18.6	11.8	-37%
Total	36.6	24.5	-33%

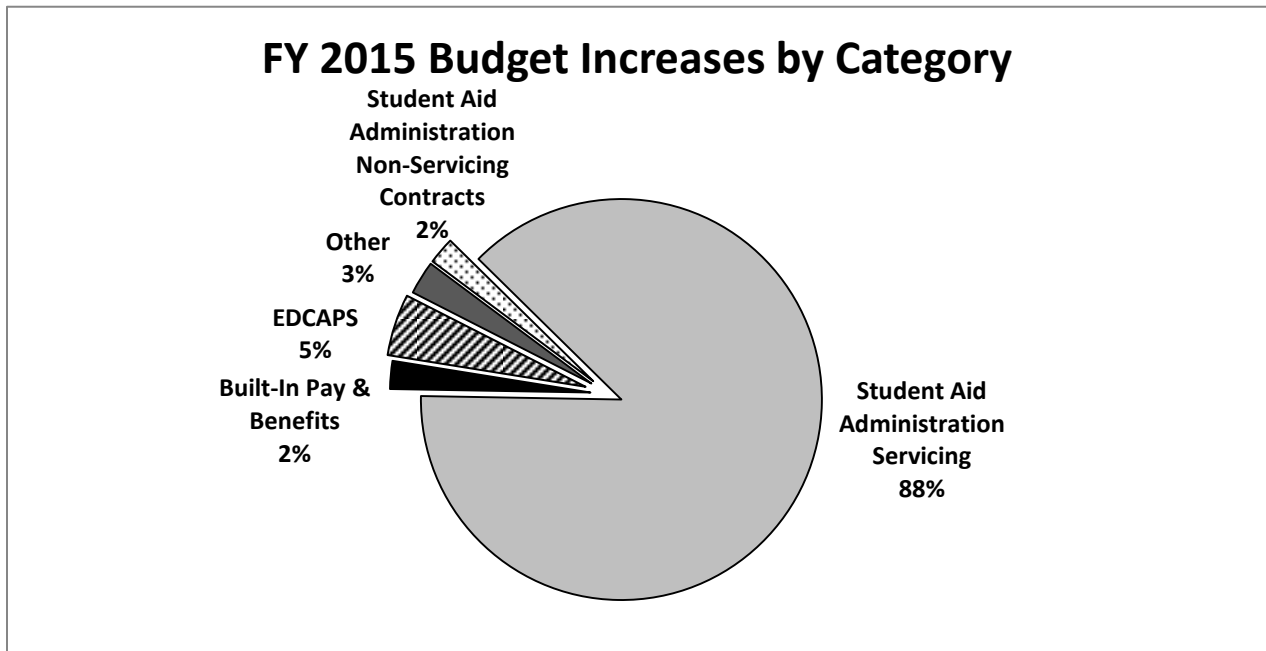
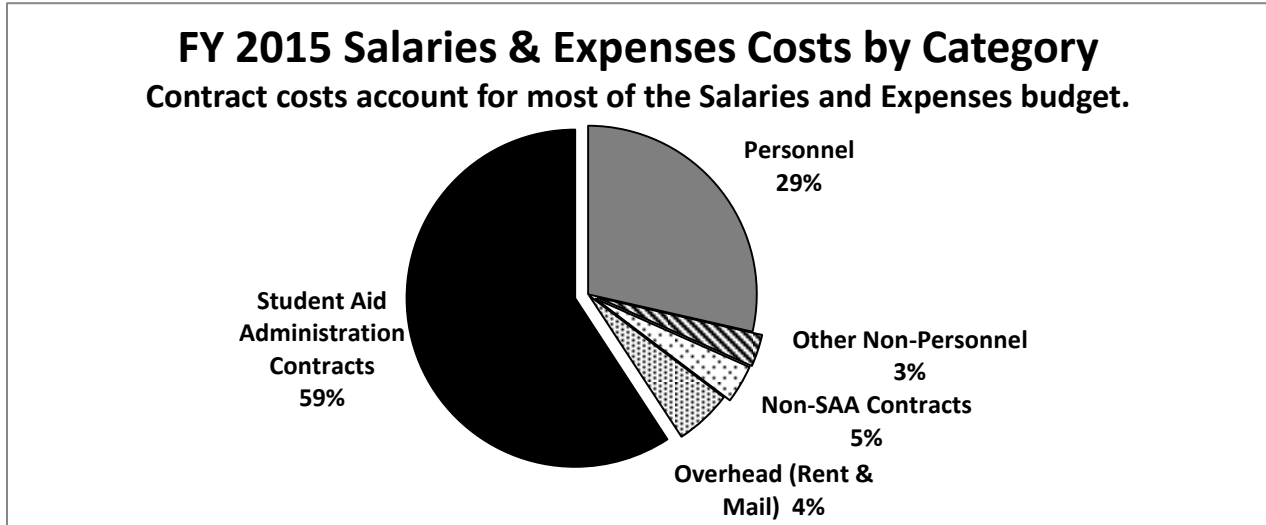
FY 2015 BUDGET REQUEST

The 2015 total Salaries and Expenses discretionary budget request is \$2.059 billion, 9 percent above the 2014 level. A summary of increases by funding account is provided on page Y-10.

The requested increase is focused mainly on several key areas: built-in pay and benefits increases for a proposed pay raise of 1 percent and increased FERS contribution rates starting October 2014; loan servicing, mainly to cover costs formerly covered by mandatory budget authority; student aid delivery systems; Education's Central Automated Processing System (EDCAPS); Civil Rights Data Collection; and building modernization costs associated with Department occupied buildings.

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The chart below provides detail on the total Salaries and Expenses request of \$2.059 billion by category, while the following chart shows the \$304.5 million cost increases by category.



STAFFING AND COSTS SUMMARY

Staffing

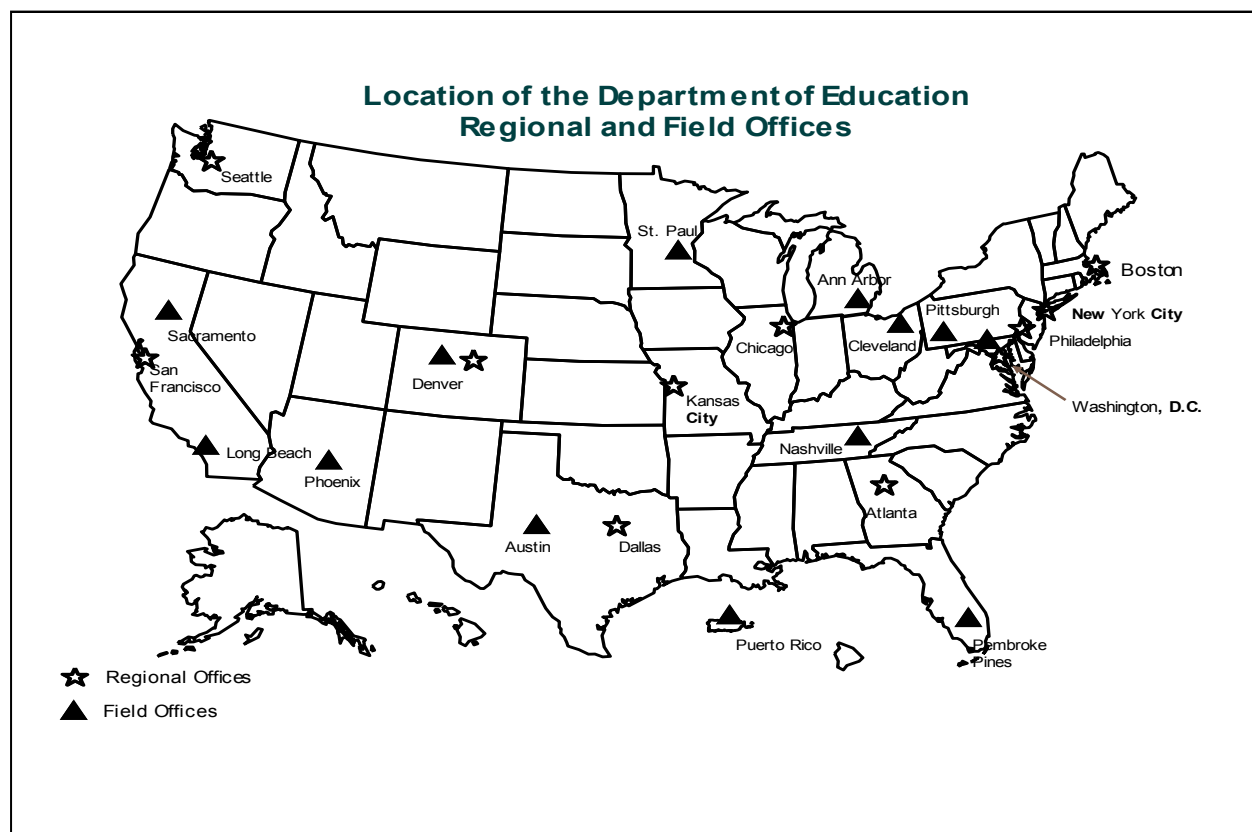
The 2015 request includes funding for 4,093 FTE, an increase of 9 FTE from the 2014 level of 4,084 FTE. Five FTE are requested in the Office of Elementary and Secondary Education (OESE) to address workload needs, especially as OESE transitions to a case management approach to grant administration, and its work related to the Now is the Time school safety

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proposal increase. An additional 3 FTE are requested in Office of Innovation and Improvement to establish an Office of Science, Technology, Engineering, and Mathematics (STEM) Education. This increased capacity will play a critical role in improving K-12 STEM instruction as part of the Administration's consolidation and realignment of Federal STEM. Two additional FTE in the Institute of Education Sciences and 1 additional FTE in the Office of Planning, Evaluation and Policy Development are requested to strengthen the Department's evaluation and data analytic capacities. FTE for the Office of Inspector General will be decreased by 2.

The Department's programs and responsibilities have grown substantially over the past decade. There has been landmark legislation affecting the very core of the Department's business. From elementary and secondary education reform to the transition to 100 percent direct lending, the past decade has seen a steady and significant growth in Department workload. There has also been a dramatic increase in mandates resulting from an increased security environment, as well as an enhanced focus on prudent financial and information technology management.

As shown in the following chart, staff are divided between Washington, D.C., headquarters, 11 regional offices, and 13 field offices. Most regional and field office staff are in Federal Student Aid (FSA), the Office of Inspector General, and the Office for Civil Rights. The FSA regional office staff conduct reviews of lenders, institutions, and guaranty agencies participating in student financial aid programs, and perform debt collection activities on defaulted student loans. OIG staff conduct audits and investigations of Department programs and operations. OCR staff investigate civil rights complaints and conduct civil rights compliance reviews.



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Personnel and Non-Personnel Costs Summary

The budget request includes \$588.0 billion for personnel compensation and benefits. The request is an increase of \$8.4 million from the 2014 level. Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT), contractual services, equipment, supplies, and other departmental services. The total budget for non-personnel activities in 2015 is \$1.5 billion, an increase of \$296.1 million from the 2014 level. Ninety-five percent, or \$281 million of the increase, is the result of the Student Aid Administration discretionary account absorbing servicing costs that were once funded by mandatory budget authority as well as anticipated increases in servicing costs due to increased loan volume.

Centralized Overhead and Technology

Departmental overhead expenses cover centralized support and administrative services for all program and staff offices. The funds are administered by the Office of Management. These services include rent, building alterations and repairs, lease renewal, training, supplies, mail, and physical security for buildings and personnel. A total of \$130.8 million is requested for these costs in 2015, an increase of \$281,000 from the 2014 level. The increase is primarily for the renovation of Department occupied buildings to help reduce the Department's overall footprint.

Information technology activities that comprise centralized IT services include Departmentwide computer operations, maintenance and improvements, local area network operations, initiatives designed to link Department business needs with the best available technology, and other commonly shared Department IT and office automation activities. The funds are administered by the Office of the Chief Information Officer. A total of \$103.7 million is requested, an increase of \$17.3 million from the 2014 level. The increase includes funding for continued operations of the EDCAPS system, IT security, and necessary upgrades for the implementation of the Oracle Release 12 version of Financial Management Systems Software (FMSS).

Improper Payments

The Department continues to focus on preventing, reducing, and recovering improper payments.

One of the Department's most promising initiatives is the improved use of data and text analytics for A-133 Single Audit reports to identify and address the root cause of common grantee challenges. The Department's budget includes \$1.3 million for this initiative, including funds for processing audits at the Federal Audit Clearinghouse, the Department's Audit Accountability and Resolution Tracking System, and predictive analytics. This supports the President's priority to invest in and leverage existing data sources to improve program outcomes. The goals of this effort are to improve grantee follow-up and audit resolution, support the Department's efforts in Cooperative Audit Resolution and OMB's grant reform initiative, and establish an infrastructure by which the Department can define common standards for all grant programs to measure performance and compliance.

The Department also relies on a variety of monitoring efforts to prevent and recapture improper payments. The Department has continuous controls monitoring software to help detect anomalies and potential issues in all Department and Federal Student Aid (FSA) payments

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made through the G5 payment system. This automated tool is used to examine payment records and identify problems such as duplicate payments, unduly large payments, overpayments, and potential fictitious vendors. The Department also conducts contract payment recapture audits and maintains a robust internal control program to identify, recover, and report, as appropriate, all grant, loan, and other administrative payment errors. These efforts support the Department's strategic goal to improve its organizational capacity by increasing the efficient and effective use of resources.

Finally, risk assessments and estimates of improper payments continue to be performed in accordance with Executive Order 13520, Reducing Improper Payments; the Improper Payments Elimination and Recovery Act (IPERA); and the Improper Payments Elimination and Recovery Improvement Act (IPERIA). The Department will continue to refine the new methodologies launched in FY 2012 for risk susceptible programs (i.e., the Pell Grant Program, the Direct Loan Program, and the Federal Family Education Loan Program). In accordance with these methodologies, management will prioritize and assess risk for each type of payment within each program, identify and estimate improper payment amounts and rates, identify and categorize root causes for improper payments, and implement corrective actions to reduce improper payments. Existing corrective actions include activities to increase accuracy of Student Aid Application information through the use of the Free Application for Federal Student Aid (FAFSA), the IRS Data Retrieval Tool (DRT), and school verification.

PARTICIPATION IN GOVERNMENTWIDE E-GOVERNMENT INITIATIVES

The Department is actively participating in a number of e-Government initiatives, designed to make it easy for citizens and businesses to interact with the Government, save taxpayer dollars, and streamline citizen-to-Government communications. The Department has budgeted a total of \$3.4 million in 2014, and requests \$3.1 million in 2015 for these initiatives. The request includes support for the following initiatives:

GovBenefits.gov – 2014: \$314,000; 2015: \$309,000; Student Aid Administration account.

GovBenefits.gov provides a single point of access for citizens to locate and determine potential eligibility for Government benefits and services, and how to apply for assistance.

E-Rulemaking – 2014: \$32,000; 2015: \$68,000; Program Administration account.

E-Rulemaking allows citizens easy access and participation in the rulemaking process and increases the efficiency of internal Agency processes. The initiative has provided the public a single central site (<http://www.gpo.gov/fdsys/>) to access all of the Department's regulatory actions since 1994. E-Rulemaking also provides a central location for the public to comment on regulatory actions, reducing the Department's data storage costs.

Grants.gov – 2014 CR: \$548,000; 2015: \$544,000; Program Administration account.

Grants.gov provides a single portal for all Federal grant customers to find, apply, and manage grants online. The Department was the first Agency to post an application on Grants.gov and an initial adopter of utilizing Grants.gov to receive applications. Since its inception in 2002, the Department has posted approximately 1,300 funding opportunities and nearly 693 application packages on Grants.gov. To date, over 55,000 application packages have been received from

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the grants community via Grants.gov. Based on FY 2012 data, the Department continued to rank in the top five Agencies for the number of applications received via Grants.gov since its inception.

Recruitment One-Stop – 2014: \$25,000; 2015: \$24,000 Program Administration account.

Recruitment One-Stop delivers state-of-the-art, online recruitment services to job seekers including intuitive job searching, online resume submission, applicant data mining, and online feedback on status and eligibility. Job applicants utilizing the Department's automated EdHires system also have access to the USAJOBS system, allowing them to apply for positions across the Government.

Enterprise Human Resource Integration – 2014: \$70,000; 2015: \$76,000; Program Administration account.

Enterprise Human Resource Integration streamlines and automates the exchange of Federal employee human resources information between Federal Agencies. Participation in this initiative will provide the Department's Human Resources managers and specialists with a centralized data warehouse that will assist in workforce planning and analysis capabilities that are not possible with a paper-based system. With these tools, trends for retirement, promotions, and reassignments can be accurately forecast and personnel transactions will be processed more quickly.

E-Travel – 2014: \$569,000; 2015: \$172,000; Program Administration account.

E-Travel provides a Governmentwide Web-based service that applies world-class travel management practices to consolidate Federal travel arrangements, minimize cost, and produce superior customer satisfaction. The Department has a designated E-Travel system, "E2," hosted by Carlson Wagonlit Government Travel, which provides travelers with a Web-based, end-to-end travel management service with an integrated online booking engine and authorization and vouchering process.

Integrated Acquisition Environment – 2014: \$76,000; 2015: \$76,000; Program Administration account.

Integrated Acquisition Environment creates a secure business environment that will facilitate and support cost-effective acquisition of goods and services by Agencies. Through adoption of the tools and services developed as part of this initiative, the Department can make better informed and more efficient purchasing decisions.

Integrated Acquisition Environment – Grants and Loans – 2014: \$1.290 million; 2015: \$1.290 million; Student Aid Administration account.

This is an additional component of the Integrated Acquisition Environment initiative, which facilitates grant and loan-making activity.

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Financial Management Line of Business – 2014: \$231,000; 2015: \$220,000; Program Administration account.

The Financial Management Line of Business initiative improves the quality and performance of financial management operations, thereby reducing the cost of Government to citizens through business performance improvements in financial management, including identifying exemplary financial management systems that can be used by multiple Agencies.

Human Resources Management Line of Business – 2014: \$66,000; 2015: \$66,000; Program Administration account.

The Human Resources Line of Business initiative reduces the cost of Government and improves services to citizens through business performance improvements in human resources management. The Department benefits by using “best-in-class” human resources systems that have been approved by the Line of Business.

Geospatial Line of Business – 2014: \$25,000; 2015: \$25,000; Program Administration account.

The Geospatial Line of Business initiative reduces the cost of Government and improves services to citizens through sharing of geospatial data. In conjunction with this Line of Business, the Department’s National Center for Education Statistics provides access to school district geographic and demographic data useful for describing and analyzing characteristics of school districts, children, and K-12 education.

Budget Formulation and Execution Line of Business – 2014: \$105,000; 2015: \$105,000; Program Administration account.

The Budget Formulation and Execution Line of Business initiative improves services through business performance improvements in budget formulation and execution processes. The Department serves as the Managing Partner for this Line of Business, and thus is a leader in finding exemplary budget systems and/or tools that can be utilized by multiple Agencies across the Government. Another benefit is the development of collaborative processes to improve and inform Federal budgeting. Training opportunities and access to MAX Community Web sites are valuable returns to each Agency’s contribution.

Disaster Assistance Improvement Plan – 2014: \$36,000; 2015: \$52,000; Student Aid Administration account.

The Disaster Assistance Improvement Plan will implement provisions of Executive Order 13411, Improving Assistance for Disaster Victims, which is designed to ensure that individuals who are victims of a terrorist attack or natural disaster have prompt and efficient access to Federal disaster assistance.

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Shared Service (Non E-gov)

Performance Management Line of Business – 2014: \$53,000; 2015: \$53,000; Program Administration account.

The Performance Management Line of Business initiative will improve access to and the value of information on Government goals, performance, organization, and programs to enhance public accountability while meeting the new GPRA Modernization Act reporting requirements efficiently.

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Department of Education

Budget Authority by Account (dollars in thousands)

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ACTIVITY	2013	2014	2015 Request	Change from 2014 to 2015
Program Administration:				
Salaries and Expenses	\$430,605	\$422,917	\$440,487	\$17,570
Building Modernization	0	0	1,513	1,513
Office for Civil Rights	98,356	98,356	102,000	3,644
Office of Inspector General	57,791	57,791	59,181	1,390
Subtotal, Departmental Management	586,752	579,064	603,181	24,117
Administrative costs from program accounts:				
College Housing and Academic Facilities Loans	435	435	435	0
Historically Black College and University Capital Financing	334	334	334	0
Institute of Education Sciences:				
National Assessment Governing Board	8,235	8,235	7,705	(530)
National Board for Education Sciences	275	273	275	2
Student Aid Administration				
Salaries and Expenses	642,057	663,251	675,224	11,973
Servicing Activities	336,867	502,749	771,700	268,951
Subtotal, program accounts	988,203	1,175,277	1,455,673	280,396
Total, Salaries and Expenses	1,574,955	1,754,341	2,058,854	304,513

NOTE: Includes discretionary funds only.

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Budget Authority by Object Classification

(dollars in thousands)

Object Class	2013	2014	2015 Request	Change from 2014 to 2015
11.10 Full-time permanent	\$426,756	\$425,972	\$429,401	\$3,429
11.31 Full-time temporary	16,290	15,133	15,948	815
11.32 Part-time	2,706	1,841	1,853	12
11.33 Consultants	363	454	458	4
11.51 Overtime	465	437	437	0
11.52 Awards	4,515	4,804	4,520	(284)
11.80 Other Compensation	0	0	0	0
Compensation subtotal	451,095	448,641	452,617	3,976
12.00 Benefits	128,442	130,601	135,216	4,615
13.01 Benefits for former personnel	180	355	180	(175)
21.00 Travel	8,027	9,126	9,108	(18)
22.00 Transportation of things	58	76	76	0
23.10 Rental Payments to GSA	74,007	74,345	73,677	(668)
23.31 Communications	670	542	536	(6)
23.32 Postage/fees	1,439	1,007	976	(31)
Subtotal 23	76,116	75,894	75,189	(705)
24.00 Printing & Reproduction	3,058	3,208	2,746	(462)
25.10 Advisory and Assistance Svcs	7,774	11,632	11,769	137
25.21 Other Services	400,845	595,151	856,614	261,463
25.22 Training/Tuition/Contracts	4,930	5,290	5,269	(21)
25.23 Field Readers	0	10	10	0
25.30 Goods/Services from Govt	46,732	42,611	48,255	5,644
25.40 Operations/Maint of Facilities	100	381	21	(360)
25.50 Research & Development	0	0	0	0
25.71 Operations/Maint of Equipment	1,757	1,334	1,230	(104)
25.72 IT Services/Contracts	442,915	426,141	455,414	29,273
Subtotal 25	905,053	1,082,550	1,378,582	296,032
26.00 Supplies	797	988	834	(154)
31.01 IT Equipment/Software	1,030	1,154	1,449	295
31.03 Other Equipment	242	257	229	(28)
Subtotal 31	1,272	1,411	1,678	267
32.00 Building Alterations	857	1,491	2,628	1,137
43.01 Interest and Dividends	0	0	0	0
Total	1,574,955	1,754,341	2,058,854	304,513
Total Pers. Comp. & Ben.	579,717	579,597	588,013	8,416
Total Non-Personnel	995,238	1,174,744	1,470,841	296,097

NOTE: Includes discretionary funds only.

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Full-time Equivalent Employment (Staff Years) by Account

ACCOUNT	2013	2014	2015 Request	Change from 2014 to 2015
Program Administration	1,942	1,934	1,945	11
Office for Civil Rights	565	558	558	0
Office of Inspector General	270	253	251	-2
Subtotal, Departmental Management	2,777	2,745	2,754	9
FTE funded from program accounts:				
College Housing and Academic Facilities Loans	3	3	3	0
Historically Black College and University Capital Financing	1	1	1	0
Institute of Education Sciences:				
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	0	1	1	0
Student Aid Administration				
Discretionary authority	1,296	1,320	1,320	0
Mandatory authority	0	0	0	0
Subtotal, program accounts	1,313	1,339	1,339	0
Subtotal, FTE	4,090	4,084	4,093	9
Total, discretionary authority	4,090	4,084	4,093	9
Total, mandatory authority	0	0	0	0
Total, FTE	4,090	4,084	4,093	9

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Department of Education

Full-time Equivalent Employment (Staff Years) by Office

OFFICE	2013	2014	2015 Request	Change from 2014 to 2015
Advisory Committee on Student Financial Assistance	5	6	6	0
Career, Technical and Adult Education	80	81	81	0
Chief Financial Officer	175	172	172	0
Chief Information Officer	129	127	127	0
Civil Rights	565	558	558	0
Communications and Outreach	105	103	103	0
Deputy Secretary	63	65	65	0
Elementary and Secondary Education	234	230	235	5
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	17	18	18	0
Federal Student Aid	1,205	1,229	1,229	0
General Counsel	106	105	105	0
Innovation and Improvement	90	90	93	3
Inspector General	270	253	251	-2
Institute of Education Sciences	170	181	183	2
Legislation and Congressional Affairs	18	18	18	0
Management	169	173	173	0
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	0	1	1	0
Planning, Evaluation, and Policy Development	115	104	105	1
Postsecondary Education	184	183	183	0
Secretary	94	92	92	0
Special Education and Rehabilitative Services	255	248	248	0
Under Secretary	28	33	33	0
Total, FTE	4,090	4,084	4,093	9

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Detail of Full-Time Equivalent Employment

	2013 Actual	2014 Estimate	2015 Request
Executive level I.....	1	1	1
Executive level II.....	3	3	3
Executive level III.....	1	1	1
Executive level IV.....	4	10	10
Executive level V.....	1	2	2
Subtotal.....	10	17	17
Total - EX Salary.....	\$1,671,800	\$2,775,050	\$2,775,050
Senior Executive Service.....	80	96	96
Subtotal - ES 1/	80	96	96
Total - ES Salaries.....	\$13,462,047	\$16,010,400	\$16,010,400
AL.....	1	1	1
AD.....	156	155	155
ED/EI.....	7	6	7
GS/GM-15.....	521	520	521
GS/GM-14.....	909	908	909
GS/GM-13.....	1,055	1,055	1,055
GS-12.....	762	758	760
GS-11.....	223	222	223
GS-10.....	1	1	1
GS-9.....	161	161	161
GS-8.....	40	38	37
GS-7.....	94	92	94
GS-6.....	13	12	12
GS-5.....	14	13	14
GS-4.....	21	20	20
GS-3.....	9	9	9
GS-2.....	3	3	3
GS-1.....	0	0	1
Subtotal.....	3,990	3,974	3,983
Total full-time equivalent employment, end of year.....	4,080	4,087	4,096
Full-time equivalent (FTE) usage.....	4,090	4,084	4,093
Average ES salary.....	\$168,276	\$166,775	\$166,775
Average GS/GM grade.....	12.2	12.2	12.2
Average GS/GM salary.....	\$108,571	\$106,929	\$107,757

1/ FY 2013 includes 11 FSA SES positions. FY 2014 & FY 2015 include 10 FSA SES positions.

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Report on the Budget Formulation and Execution Line of Business as Required by Division D, Section 737(d) of the Consolidated Appropriations Act, 2008, P.L. 110-161

The U.S. Department of Education assumed the role as the first Managing Partner for the Budget Formulation and Execution Line of Business (BFELoB) in the fall of 2006. The focus of the BFELoB is to build a “budget of the future” by promoting information-sharing across Government Agency budget offices, as well as building a “community of practice.” Through this collaboration, the budget community has been identifying best practices for all aspects of budget formulation and execution. The BFELoB strives to find solutions linking budget formulation, execution, planning, performance, and financial management information.

Goals of the BFELoB include improvement and enhancements of:

- the efficiency and effectiveness of Agency and central processes for formulating and executing the Federal Budget;
- the integration and standardized exchange of budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government;
- capabilities for analyzing budget formulation, execution, planning, performance, and financial information in support of decisionmaking;
- capabilities for aligning programs and their outputs and outcomes with budget levels and actual costs to institutionalize budget and performance integration; and
- the efficiency and effectiveness of the Federal budgeting workforce.

BFELoB anticipates 10-year savings of over \$200 million Governmentwide due to efficiencies gained through collaboration and increased use of technology. Many Agency budget offices do not have automated systems to support budget formulation and execution activities. Agencies rely on basic office software and manual processes. BFELoB’s goal is to reduce time spent on manual processes and increase budget personnel time spent on high priority analytical activities (via increased use of technology, improved processes, and a better equipped workforce).

BFELoB is a mixed lifecycle investment. Activities and solutions under development by BFELoB workgroups are at different stages within the development lifecycle. Products under development are listed in the Objectives and Benefits table below and include implementation or projected implementation dates.

The following tables display the objectives and benefits, risks, costs, and Agency contributions to BFELoB.

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Objectives and Benefits: Technology

Capability	Objectives and Benefits
Technology	
Collaboration	<p>Improves the efficiency and effectiveness of Government activities through the ready accessibility of information, and the ability to collaborate remotely both within an Agency (i.e., collaboration with regional and field staff) and across Federal Agencies (i.e., collaboration of each Agency with OMB and other Agencies on shared programs).</p> <p>Current products include the MAX Federal Community (a “wiki” site, in production Dec. 2006), secure online meeting capability (Nov. 2008), MAX Shared Desktop (Feb. 2011), and MAX Calendar (2011).</p> <p>Current Status: The MAX Federal Community provides increased information sharing, collaboration, and knowledge management securely across the Federal Government, as well as within each Agency. With approximately 96,000 members (up from 76,000 in February 2013), the MAX Federal Community is reportedly the largest Government operated collaboration site. Usage is currently growing at a rate of over 1,000 users per month. Many Agencies are also using the secure MAX Shared Desktop or the secure online meeting tool allowing Agency personnel to attend meetings remotely with presentations displayed on their computer screens, and MAX survey to quickly gather and analyze information via tokenized surveys.</p>
Data Collection & Tracking	<p>Improves OMB and Agency efficiency and effectiveness in carrying out the numerous budget data exercises that occur. Benefits apply to both central budget exercises (i.e., those requested of Agencies by OMB) and exercises at the departmental or Agency level (i.e., those requested by central Agency offices of Agency regional and field offices). Agency benefits include increased data collection capabilities, reduced errors, and reduced time spent manually consolidating and publishing data.</p> <p>Current products include multiple Web-based data collection tools for central budget exercises (first exercise in production in March 2007, with ongoing roll-outs), as well as a Web-based tool, MAX Collect, for Agency use in the collection of budget briefing and question and answer materials (in production since Nov. 2008). Over 100 MAX Collect exercises have been utilized in the last year.</p> <p>Current Status: BFELoB data collection tools have already demonstrated value by automating the collection of data for dozens of centralized exercises related to the budget community for earmarks, continuing resolutions, Questions for the Record (QFRs) and across-the-board reductions. The MAX Collect tool provides even greater benefit by enabling Agency budget offices to automate their own data collection exercises. Agencies are now using the tool to facilitate a broad range of data calls and data collection exercises numbering in the hundreds.</p>

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<p>Knowledge Management</p>	<p>Improves the ability of Agencies to locate and access information, increases the availability and comprehensiveness of data, and improves the ability of the budgeting community to manage the impending retirement of key personnel. Database-driven products such as the MAX Federal Community and MAX Collect enhance knowledge management capabilities by capturing “knowledge” as it is generated, simply as a by-product of these tools.</p>
<p>Agency Budget Formulation and Execution Tools</p>	<p>Provides a cost-effective strategy for Agencies that do not have budget formulation and execution applications, or have outdated applications, to quickly improve their effectiveness through automation. This effort encourages common and integrated solutions that are reusable Governmentwide.</p> <p>Products include the Budget Formulation and Execution Manager system (BFEM), the first shared budget formulation system by the Department of Treasury (in production April 2007); the Departmental E-Budgeting System (DEBS), a shared offering from the Department of Labor (April 2010); the Decision Matrix for budget systems evaluation (full systems evaluations re-published in Feb. 2011); the Budget Capability Self-Assessment Tool (BC SAT) (republished in April 2011); and the MAX A-11 Data Transfer and Rule Validation project, for which multiple services went live in Oct. 2011, April 2012, Oct. 2012, and the final modules for A-11 data entry in Oct 2013, with Appendix Text capabilities scheduled for 2014. The Decision Matrix allows Agencies to define their specific budget system requirements and evaluates the capability and maturity of six Agency and three commercial budget systems against those requirements. The Budgeting Capability Self-Assessment Tool (BC SAT) has provided several Agencies with comprehensive resource listings to further help them with strategic planning and resourcing.</p> <p>Current Status: The MAX A-11 Rule Validation team developed processes, methodologies, and standards to enable Agencies to exchange data with OMB's MAX A-11 system through the use of multiple 'services', going live with the final set of services this year for A-11 Data Entry that have greatly improved the process, eliminated large amounts of manual data entry, and enabled availability of account level information on a real-time basis. BFELoB continues to support Treasury's BFEM and Labor's DEBS systems as they provide customer Agencies with enhanced connections to OMB's MAX budget system.</p>
<p>Analytical Tools</p>	<p>Enhances Federal capabilities for analyzing budget formulation, execution, planning, performance, and financial information. This enables more complete, thorough, and timely analysis, which will in turn provide policy decisionmakers with improved understanding of policy option impacts and alternatives.</p> <p>Current products include the MAX Analytics tool suite (in production Sept. 2009), which creates custom charts and graphs for analysis, and associated tools built upon the analytics core (such as MAX Calendar).</p> <p>Current Status: MAX Analytics integrates with BFELoB data collection and collaboration tools, enabling charts that update automatically as new data is entered. Agencies have been using MAX Analytics to dynamically display the</p>

SALARIES AND EXPENSES OVERVIEW

	<p>results of their data collections and to transform how they use analytics to manage problems. BFELoB continues to work with Agencies to include the most relevant and useful capabilities in the tool suite. Several Agencies (OMB, DOJ, Treasury, etc.) are now utilizing MAX Analytics to drive decisionmaking based upon analysis not previously possible.</p>
Budget Execution and Financial Management Integration	<p>Improves the quality and integrity of information, data flows, and reporting in budget formulation and execution, especially in regard to its touch points with financial management. Identifying common business processes and data standards will form the basis for requirements for use in developing budget systems, as well as closer alignment with financial management systems. Current products include Governmentwide process maps for budget execution (published in Oct. 2008) and budget formulation (Nov. 2009) and the Web-based budget execution training module (Nov. 2009), budget formulation training module (Oct. 2010), and Appropriations Law (March 2011).</p> <p>Current Status: The training modules are in use throughout the budget community. Over 4,900 people have taken the self-paced online training module courses, which have an estimated return on investment to date of over 3,500 percent and a savings of over \$4 million.</p>
Document Production	<p>Enables Agency budgeting personnel to move from clerical to analytical functions, increasing Agency analytical resource availability. Agency budget staff currently work countless hours to incorporate late-breaking policy data changes in high-visibility publications. Often, many changes must be simultaneously made in multiple documents for different stakeholders. Document production capabilities exist in Treasury and Labor's shared service budget systems, as well as in the MAX Collect Tool.</p>

Objectives and Benefits: Governance

Capability	Objectives and Benefits
Governance	
Program Management Office (PMO)	<p>Serves as a central coordination point for Governmentwide collaboration and sharing of technologies and processes. The PMO allows resources across Government to be leveraged for cost savings. In this way, costs are reduced, economies of scale are achieved, and risks in developing and buying Agency budget tools are reduced through a coordinated combination of approaches that include: sharing common budget formulation components, purchasing commonly used software that has been proven in multiple Agencies, and purchasing services from other Agencies.</p> <p>The PMO will support enhanced efficiency, effectiveness, quality, knowledge management, presentation, collaboration, and flexibility within the BFELoB. Currently, the PMO supports eight initiative-specific workgroups that meet on a regular basis.</p>
Process Improvements	<p>Allows for the development of system requirements and guidelines for tools that are modular in nature (can be used as part of any system) and available for use by multiple Agencies. Accounts for the importance of flexibility in the budgeting process and acts as a set of standards that are essential for the</p>

SALARIES AND EXPENSES OVERVIEW

Capability	Objectives and Benefits
	<p>automated exchange of budget data with Treasury and OMB, as well as Agency financial management systems.</p> <p>Current products include numerous updates to the MAX Federal Community, MAX Collect, MAX Analytics, and MAX Shared Desktop as well as implementation of MAX Authentication services at seven Agencies with work underway to support several more with 'single sign-on' capabilities. We have had discussions with the Federal Credit program and with the Performance Management Line of Business on how we can best link up with these communities to our mutual benefit and will continue those relationships into the coming year.</p>
Service Module Standardization	<p>Encourages reusability and interoperability of budget systems across Agencies to achieve significant cost savings through a "build once, use often" philosophy. Service module registration via the PMO will help ensure that Agencies are aware of existing services so that duplicative investments are not made.</p>

Objectives and Benefits: Human Capital

Capability	Objectives and Benefits
Human Capital	
Budget Human Capital	<p>Enhances the effectiveness of the existing budgeting workforce and encourages participation from other professions within Government, the private sector, and universities. BFELoB provides a central venue for the budget community, OPM, and the Council of Human Capital Officers to grow the appeal of Federal Budgeting as a career by combining Agency efforts to define budget career paths, core competencies, leadership development, certification programs, and sharing of ideas in areas such as succession planning, retention and recruitment.</p> <p>Products include recommendations on core competencies (published Nov. 2008) and proficiency levels (published May 2010), training curricula for budget analysts, as well as no-cost training courses for budget staff and self-paced training modules (released in 2010 and 2011). More are in development.</p> <p>Current status: Thousands of Government employees have undergone no-cost training through in-class, Web-based, or facilitated online training sessions hosted by the BFELoB. Monthly panel discussions featuring an OMB and senior agency budget staff, focusing on specific budgeting related topics, have been attended by over 1,200 individuals since the Department began hosting these 2.5 years ago. Brownbag discussion groups focusing on a deeper understanding of budget execution and on the Budget Career Road Map began in Nov. 2010 and were attended by over 500 people. A new in-depth course focusing on Basic Budget Processes began in 2013 and has been held quarterly, with 127 participating. Pilot classes were held at ED on Grants and Acquisition training for budget professionals, attended by dozens and showing promise for adoption at a wider, Governmentwide level. All of</p>

SALARIES AND EXPENSES OVERVIEW

Capability	Objectives and Benefits
	these opportunities are offered to Federal employees free of charge.

Risks

Type of Risk ¹	Risk	Description	Mitigation Approach
Other	Schedule	Agency staff (from multiple Agencies) lead and participate in workgroups on a voluntary basis, which at times slows progress.	1) Conduct Agency outreach/marketing, and 2) target Agency staff (based on skill set) for participation on specific projects and for specific time periods.
Other	Management Oversight	Agency budget offices do not make use of the full range of BFELoB products and services available to them.	Develop marketing and outreach strategy and dedicate PMO staff to assist Agencies on activities such as building out community pages.
Other	Business Impact	PMO strategic plan (Concept of Operations (CONOPS) and target architecture documents) have been revalidated.	Implementation planning consistent with CONOPS and architecture document occurred in summer 2013, now executing against those plans.

¹ If significant risks occur, they have substantial impact on the ability of the Line of Business to succeed. Other risks, while potentially serious, may not significantly impact the Line of Business and its ability to succeed.

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Line of Business IT Costs (dollars in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Planning	516	437	655	100	125	125	116
Acquisition	714	904	810	355	335	350	375
Operations & Maint.	401	650	680	720	685	700	781
Govt FTE Costs	376	490	444	162	172	238	244
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,007	2,481	2,589	1,337	1,317	1,413	1,516
FTEs	2	4	4	4	4	2	2

	<u>2014</u>	<u>2015</u>
Planning	78	78
Acquisition	178	178
Operations & Maint.	919	919
Govt FTE Costs	100	100
	<hr/>	<hr/>
	1,275	1,275
FTEs	1	1

SALARIES AND EXPENSES OVERVIEW

Anticipated Contributions by Agency (dollars in thousands)

AGENCY	FY 2013	FY 2014	FY 2015
Department of Agriculture	\$95	\$95	\$95
Department of Commerce	105	105	105
Department of Defense--Military	105	105	105
Department of Education (<i>direct funds</i>)	105	105	105
Department of Energy	105	105	105
Department of Health and Human Services	105	105	105
Department of Homeland Security	105	105	105
Housing and Urban Development	105	105	105
Department of the Interior	105	105	105
Department of Justice	105	105	105
Department of Labor	105	105	105
Department of State	105	105	105
Department of Transportation	105	105	105
Department of the Treasury	105	105	105
Department of Veterans Affairs	105	105	105
US Army Corps of Engineers-Civil Works	90	80	80
Environmental Protection Agency	75	75	75
General Services Administration	105	105	105
National Aeronautics and Space Administration	105	105	105
National Science Foundation	105	105	105
USAID	105	105	105
Office of Personnel Management	105	105	105
Small Business Administration	50	50	50
Securities and Exchange Commission	50	50	50
Broadcasting Board of Governors	50	50	50
Office of National Drug Control Policy	50	50	50
Consumer Financial Protection Board	50	50	50